

Message Text

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ACTION EA-09

INFO OCT-01 ISO-00 CIAE-00 COME-00 EB-08 INR-07 LAB-04

NSAE-00 SIL-01 L-03 OMB-01 TRSE-00 /034 W

-----110750Z 120569 /15

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FM AMEMBASSY TOKYO

TO SECSTATE WASHDC 6063

INFO CINCPAC HONOLULU HI

COMUSJAPAN YOKOTA

UNCLAS TOKYO 3450

E.O. 11652: N/A

TAGS: ELAB, JA

SUBJECT: SPRING WAGE NEGOTIATIONS

REF: 76 TOKYO 18543

1. MAJOR AFFILIATES OF METAL WORKERS COUNCIL (IMF-JC) HAVE FORMALLY LAUNCHED JAPAN'S ANNUAL "SPRING LABOR STRUGGLE" BY SUBMITTING TO THEIR RESPECTIVE MANAGERMENTS DEMANDS FOR AVERAGE 15 PERCENT WAGE HIKE. ATTENTION WILL NOW FOCUS ON STEEL INDUSTRY MANAGEMENT, WHOSE COUNTER OFFERS CUSTOMARILY SET PATTERN OF SETTLEMENT FOR ENTIRE JAPANESE ECONOMY AND WHO HAVE INDICATED THEY WILL REPLY THIS YEAR TO STEEL UNIONS BY MID-APRIL. UNIONS, AWARE THAT STEEL INDUSTRY STILL SUFFERING FROM CURRENT RECESSION AND PLANNING FURTHER CUTBACKS IN EQUIPMENT INVESTMENT, BELIEVE COUNTER OFFER FROM STEEL WILL BE LESS THAN 10 PERCENT AND HAVE THEREFORE BEEN TRYING TO FORVE PROSPERING AUTO FIRMS INTO PACE-SETTING ROLE THIS YEAR. UNIONS' TACTIC UNLIKELY TO BE SUCCESSFUL, HOWEVER, SINCE STEEL INDUSTRY HAS MADE IT CLEAR THAT IF OTHER METAL INDUSTRIES RESPOND TOO GENEROUSLY AND BEFORE IT TO UNION DEMANDS, IT WILL RETALIATE WITH STEEP INCREASE IN STEEL PRICES LATER THIS SPRING (MODERATE PRICE INCREASE WILL OCCUR IN ANY EVENT). GIVEN
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NO-STRIKE TRADITION IN STEEL INDUSTRY, IMF-JC OFFICIALS ADMIT PRIVATELY THAT UNIONS WILL CONSIDER THEMSELVES PORTUNATE THIS YEAR TO SECURE AVERAGE WAGE BOOST OF APPROXIMATELY 10 PERCENT, WHICH THEY CLAIM WOULD IN EFFECT NOT ONLY COMPENSATE WORKERS FOR 8.6 PERCENT RISE IN CONSUMER PRICE INDEX SINCE LAST MARCH BUT ALSO PROVIDE THEM WITH SMALL INCREASE IN THEIR REAL INCOME. FROM THIS

REASONING, IT APPARENT THAT AT LEAST MODERATE PRIVATE
SECTOR UNIONS HAVE ACCEPTED A DEFACTO "INCOMES POLICY"
FOR JAPAN.

2. MEANWHILE, SOHYO-AFFILIATED NATIONAL RAILWAY, POSTAL,
TELECOMMUNICATIONS AND OTHER PUBLIC CORPORATION UNIONS
HAVE ANNOUNCED PLANS FOR SERIES OF SHORT LOCAL STRIKES
LATER THIS MONTH, A ONE-DAY NATIONWIDE WWLKOUT APRIL 8
AND EVEN LONGER STRIKES IN LATE APRIL IF STEEL INDUSTRY
OFFERS LESS THAN 15 PERCENT. OSTENSIBLE PURPOSE OF STRIKE
THREATS IS TO EXERT INDIRECT PRESSURE OF PRIVATE SECTOR
MANAGEMENT TO MAKE GENEROUS COUNTER OFFERS OR FACE
DISTRUPTION IN TRANSPORTATION AND COMMUNICATIONS
FACILITIES. GIVEN LIMITED EFFECTIVENESS OF SUCH PUBLIC
SECTOR STRIKES IN RECENT YEARS, IT GENERALLY UNDER-
STOOD THAT THEIR REAL PURPOSE IS TO PROVIDE OUTLET FOR
PENT UP ENERGIES OF YOUNG MILITANTS EMPLOYED BY
GOVERNMENT CORPORATIONS. SOHYO'S POWER TO DISRUPT
PUBLIC TRANSPORTATION FACILITIES LIMITED EVEN FURTHER THIS YEAR
BY DECISION OF PRIVATE RAILWAY WORKERS FEDERATION
(SHITETSU SOREN) TO ABANDON LONG-HELD POLICY OF
STRIKING BEFORE ENTERING INTO WAGE NEGOTIATIONS WITH
MANAGEMENT. THIS YEAR, FOR FIRST TIME, SHITETSU SOREN
WILL REFRAIN FROM "SCHEDULED STRIKES" AND LAUNCH
WAKKOUT ONLY IF NEGOTIATIONS WITH PRIVATE RAILWAY
FIRMS, EXPECTED TO REACH DECISIVE STAGE IN LATE APRIL,
BREAK DOWN.
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Disposition Approved on Date:
Disposition Case Number: n/a
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Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
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